

BOARD OF COMMUNITY HEALTH
August 24, 2006

The Board of Community Health held its regularly scheduled meeting in the Floyd Room, 20th Floor, West Tower, Twin Towers Building, 200 Piedmont Avenue, Atlanta, Georgia. Board members attending were Richard Holmes, Chairman; Ross Mason, Vice Chairman; Mark Oshnock, Secretary; Inman C. "Buddy" English, M.D.; Kim Gay; Robert A. Lipson, M.D.; and Ann McKee Parker, Ph.D. Commissioner Rhonda Medows was also present. (A List of Attendees and Agenda are attached hereto and made official parts of these Minutes as Attachments # 1 and # 2).

Mr. Holmes called the meeting to order at 12.10 p.m. The Minutes of the August 10, 2006 meeting were UNANIMOUSLY APPROVED AND ADOPTED.

Mr. Holmes began his opening comments. He said last meeting the PeachCare for Kids shortfall was discussed. Mr. Holmes stated that the Governor's Office and DCH staff are working aggressively with governors of other states and the appropriate federal agencies to address this issue.

Mr. Holmes called on Dr. Medows for the Commissioner's Report. Dr. Medows said in the interest of time she would defer her comments.

Mr. Holmes called on Carie Summers, Chief Financial Officer, to present to the Board for consideration and approval a budget package that reflects the Department's requests to the Governor for FY 07 Amended and FY 08 Budgets. Ms. Summers said in general this budget is a continuation budget. It is the dollars that are necessary for the Department to maintain the programs that it operates. She said there no reductions, no changes in policy, no enhancements—it is just a status quo budget. She said when the board reviewed the highlights they would notice movement of dollars across fund sources and additional funds for entitlement, inflation and utilization growth to accurately reflect the fund sources that the Department is expected to receive and use to pay both claims expenses as well as cover the Department's administration.

Ms. Summers began with highlights of the FY 2007 Amended Budget Request. She said an adjustment to the base will recognize estimated FY 2006 surplus state funds. The Department is projecting a total of \$343 million in surplus; some of it is budgeted already in terms of the FY 2007 appropriation with an expectation that funding would be rolled forward to cover some expenditures in FY 07. She cautioned that the numbers are based on the August 14, 2006 PeopleSoft reporting and is subject to change based on final FY 2006 closing entries. Ms. Summers said in summary the Department is starting the fiscal year with a \$10.98 billion budget and a request for a \$68.8 addition, totaling \$11.05 billion—a 0.6 percent increase in the amended budget request.

Ms. Summers moved on to the FY 08 Budget. She said the FY 08 Continuation Request includes a request for a \$336.5 million increase in state funds; \$11.6 million reduction in the Indigent Care Trust Fund; \$215 million addition in the SHBP; \$343 million significant reduction in other funds; and \$291 million increase in federal funds. In summary, the continuation request asks for \$488 million more (a 4.4 percent increase) and would have the budget at \$11.5 billion for FY 2008. After addressing questions and comments from the Board, Ms. Summers concluded the overview. (A copy of FY 2007 Amended and FY 2008 Budget Request Highlights is attached hereto and made an official part of these minutes as Attachment # 3).

Mr. Holmes called for public comment on the FY 2007 Amended and FY 2008 Budget. Marissa Harvey provided public comment.

Mr. Mason MADE a MOTION to approve the proposed FY 2007 Amended and FY 08 Budget Request to forward to the Governor's Office of Planning and Budget. Dr. Lipson SECONDED the MOTION. Mr. Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED.

Mr. Holmes called on Charemon Grant, General Counsel, to discuss proposed amendments to Chapter 111-3-8 Estate Recovery Rules. Ms. Grant said the Department is mandated by federal law to have a process in place to recover the cost of medical assistance payments from the estates of deceased members. She reviewed each change made to Chapter 111-3-8 and highlighted that the effective date of the Medicaid Estate Recovery Program had been changed from August 1, 2001 to May 3, 2006. Ms. Grant said a public hearing will be held and the public can submit written comments to the Department. Dr. Lipson MADE a MOTION to

approve for initial adoption Estate Recovery Rules Chapter 111-3-8 to be published for public comment. Mr. Mason SECONDED the MOTION. Mr. Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of Estate Recovery Rules Chapter 111-3-8 is attached hereto and made an official part of the minutes as Attachment # 4).

There being no further business to be brought before the Board at the meeting Mr. Holmes adjourned the meeting at 1:00 p.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE _____ DAY OF _____, 2006.

RICHARD L. HOLMES
Chairman

ATTEST TO:

MARK D. OSHNOCK
Secretary

Official Attachments:

- #1 List of attendees
- #2 Agenda
- #3 FY 2007 Amended and FY 2008 Budget Request Highlights
- #4 Estate Recovery Rules 111-3-8